

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 TRSE-00 SOE-02 NSC-05 SP-02
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FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 2969
INFO AMCONSUL ADANA
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AMCONSUL IZMIR
AMEMBASSY BRUSSELS
AMEMBASSY ATHENS
AMEMBASSY PARIS
AMEMBASSY NICOSIA

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USEEC

USOECD

E.O. 11652: NA
TAGS: ECON, EGEN, TU
SUBJ: ECEVIT COMMENTS ON GOT ECONOMIC PERFORMANCE: SAYS THAT
COMPENSATION IS BEING ASKED FROM FRIENDLY COUNTRIES FOR
ECONOMIC EMBARGO

REF: ANKARA 5714

1. PRIMIN ECEVIT TOLD IZMIR BUSINESSMEN AUGUST 12, THAT HIS
GOVERNMENT HAD DONE GREAT SERVICE IN EIGHT MONTHS. ACCORDING
TO PRESS REPORTS, AMONG ACCOMPLISHMENTS HE CITED WERE POSTPONING
OF \$5 BILLION IN DEBTS (SIC), REGAINING TURKEY'S RESPECTABILITY
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ABROAD, FINDING NEW MARKETS FOR TURKEY'S AGRICULTURAL EXPORTS,
AND PROVIDING ALL FACILITIES NEEDED BY THE BUSINESS COMMUNITY
TO PROMOTE EXPORTS. ECEVIT SPOKE FOR 3 1/2 HOURS TO 250 IZMIR
BUSINESSMEN ACCOMPANIED BY MINISTER OF STATE HIKMET CETIN AND
THE MINISTERS OF INDUSTRY, COMMERCE, FINANCE AND TOURISM.

2. ECEVIT ALSO COMMENTED THAT HIS EFFORTS TO IMPORVE EXTERNAL

RELATIONS WERE YEILDING CONSTRUCTIVE RESULTS; HOWEVER, THE LIFTING OF THE ARMS EMBARGO AND THE "ECONOMIC EMBARGO" WERE NOT ENOUGH. "WE ARE TRYING TO EXPLAIN TO FRIENDLY COUNTRIES THAT THEY SHOULD ALSO COMPENSATE FOR THE HARMS INFLICTED ON THE TURKISH ECONOMY BY THE CONTINUATION OF THE ECONOMIC EMBARGO. I BELIEVE THAT EUROPEAN COUNTRIES WILL BE OF ASSISTANCE TO US IN THIS REGARD."

3. ECEVIT SAID THAT THE THREE-AND-A-HALF YEAR ARMS EMBARGO HAD ENHANCED THE TURKISH ARMED FORCES' ABILITY TO MEET ITS OWN NEEDS AND HAD LED TURKISH INDUSTRIALISTS TO MAKE PRODUCTIVE AND CONSTRUCTIVE INVESTMENTS WITHOUT THE NEED FOR TRANSFERRED TECHNOLOGY. HE PROCLAIMED THAT THE STATE WOULD TAKE MEASURES TO CHANNEL SAVINGS TO PRODUCTIVE INVESTMENTS AND TO DIRECT INDUSTRY FROM DOMESTIC MARKETS TO EXTERNAL MARKETS.

5. THE ONLY SOBER NOTE SOUNDED AT THE MEETING WAS APPARENTLY THAT THE GOVERNMENT HAD TO BE RESERVEDLY OPTIMISTIC UNTIL THE BALANCE-OF-PAYMENTS GAP WAS CLOSED AND THAT IT WOULD NOT BE POSSIBLE TO TRANSCEND THIS BOTTLENECK UNTIL PRODUCTION AND EXPORTS WERE INCREASED.

6. COMMENT: ECEVIT'S REFERENCE TO THE ECONOMIC EMBARGO AND TURKEY'S NEED FOR COMPENSATION FROM THE HARMS IT HAS INFLICTED IS PROBABLY THE FIRST SHOT IN HIS PUBLIC RELATIONS CAMPAIGN TO EXPLAIN HIS GOVERNMENT'S FAILURE TO DEAL LIMITED OFFICIAL USE

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ADEQUATELY WITH ITS ECONOMIC PROBLEMS. HIS STATEMENTS DISTORT THE CURRENT ECONOMIC SITUATION TO PLACE HIS GOVERNMENT'S POLICIES IN A FAVORABLE LIGHT. WHEN THE CRASH COMES, HE WILL PROBABLY BLAME THE CONSPIRATORIAL "ECONOMIC EMBARGO" (I.E., THE LACK OF NEW COMMERCIAL CREDITS AND OF CONCLUSIVE RESCHEDULING ARRANGEMENTS) AND SEEK COMPENSATORY AID FROM GOVERNMENTS. A TREASURY OFFICIAL MADE A SIMILAR COMMENT TO EMBOFFS THE OTHER DAY: NEW MONEY SHOULD HAVE ARRIVED BY JUNE, SHE SAID; IT IS ALREADY TOO LATE; ITS ABSENCE HAS CAUSED GREAT HARM AND PREVENTED THE GOVERNMENT FROM REACHING ITS ECONOMIC POLICY OBJECTIVES. (REFTEL).

7. WHAT THE TURKS APPEAR UNWILLING TO FACE IS THAT BANKS HAVE CAUSE FOR CAUTION. IN HIS ADDRESS TO THE ISTANBUL SEMINAR ON A NEW INTERNATIONAL ECONOMIC ORDER, PRIME MINISTER ECEVIT COMPLAINED THAT INTERNATIONAL BANKS SHOULD DISPLAY MORE "FEELING" THAN THEY DO TOWARD THE NEEDS OF DEVELOPING COUNTRIES. IT IS DISCONCERTING THAT THE TURKISH GOVERNMENT IS HARBORING SUCH SENTIMENTAL AND IRRATIONAL NOTIONS OF WHAT MAKES MONEY MOVE.

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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